

NORTH CAROLINA RATE BUREAU

POST OFFICE BOX 176010
RALEIGH, NORTH CAROLINA 27619-6010

RAYMOND F. EVANS, JR. CPCU
General Manager

5401 SIX FORKS ROAD
RALEIGH, NORTH CAROLINA 27609-4435

TELEPHONE (919) 783-9790
FACSIMILE (919) 783-0355

JERRY G. HAMRICK
Workers Compensation Manager

F. TIMOTHY LUCAS
Personal Lines Manager

DAVID E. SINK, JR.
Accounting Manager

April 15, 2002

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Call for 2001 North Carolina
Property Expense Experience

Annually, this Bureau issues calls for North Carolina property expense experience for the property lines of business under the jurisdiction of the Rate Bureau. Data obtained pursuant to the calls are consolidated and utilized by the Rate Bureau in preparing rate filings and for the purpose of allocating the Bureau's expenses.

Please note in completing Form P-1 that if Mobile Homeowners data are reported on Line 4 of the Statutory Page 14 data of the Annual Statement the Homeowners and Mobile Homeowners data combined on Form P-1 should equal Line 4 on the Statutory Page 14 data.

Those companies writing the Mobile-Homeowners Policy of the American Association of Insurance Services should use the MH(F) column in reporting the requested data for that policy.

Effective January 1, 1998, the National Association of Insurance Commissioners (NAIC) made changes in how loss adjustment expenses on various items were recorded and displayed in the Annual Statement. The Rate Bureau needs to be able to compare the loss adjustment expense data for 2001 submitted to the statistical agents under the applicable statistical plan to the defense and cost containment data being submitted to the Rate Bureau pursuant to this Call for 2001 Property Expense Experience. In that regard, please note that an additional line 4.b has been added to record the allocated loss adjustment expenses as reported to the statistical agent for liability coverage.

Instructions for the completion of the attached form are attached. Please make sure the attached Affidavit is completed and returned with the completed form. A report is required to be submitted by or for each company licensed to write lines of insurance under the Rate Bureau's jurisdiction. If a company required to file has had no 2001 premiums or losses for the State, the form should be noted "None" accordingly. Your cooperation in supplying the requested data, accompanied by the completed Affidavit, as soon as possible and **in no event later than July 1, 2002**, would be greatly appreciated.

Very truly yours,

Ellen S. Holloway

Statistical Data Technician

ESH:dp

P-02-H01

Enclosures

Return to:
 North Carolina Rate Bureau
 P. O. Box 176010
 Raleigh, North Carolina 27619-6010

THIS REPORT DUE JULY 1, 2002

Call for Calendar Year 2001
 North Carolina Property
 Expense Experience

ITEMS	Property Expense Experience - Calendar Year 2001				
	Homeowners (Excluding Mobile Home)	Mobile Home		Dwelling	
		MH (C)	MH (F)	Fire	Extended Coverage
	Amount (a)	Amount (a)	Amount (a)	Amount (a)	Amount (a)
1. Direct Written Premiums (b)	\$	\$	\$	\$	\$
2. Direct Earned Premiums (b)					
3. Direct Losses Incurred (b)					
4. Loss Adj. Expenses Incurred: a. Defense & Cost Containment (b)					
b. Allocated (as reported to statistical agent)					
c. Adjusting & Other Expense Payments (Unallocated) (c)					
5. Commission & Brokerage (b)					
6. Other Acquisitions Incurred: a. Branch Off-State's Share(c)					
b. Home Off.--State's Share(c)					
7. General Expenses Incurred(c)					
8. Taxes, Licenses, Fees Incurred (b)					

- (a) Report dollar amounts only -- no cents.
- (b) Must agree with the Statutory Page 14 data of the Annual Statement. If mobile home data is reported on Line 4 of the Statutory Page 14 data of Annual Statement, the combination of homeowners and mobile home must agree with the Statutory Page 14 data. The Dwelling Fire and Extended Coverage portion of this form is not required to equal Lines 1 & 2 of the Statutory Page 14 data as commercial dwellings are reported on these lines of the Statutory Page 14 data.
- (c) Explain basis of allocation on reverse side if actual North Carolina data not available.

Statistical Agent Used For Reporting Experience AAIS ISO NAII NISS

Company or Group: _____ (If "Group", please provide a list of the companies included.)

Completed by: _____ Title: _____ Date: _____
 (Please Print or Type)

Telephone Number: _____ FAX Number: _____
 E-Mail Address: _____

SPECIAL CALL FOR PROPERTY EXPENSE EXPERIENCE
HOMEOWNERS INSTRUCTIONS

In completing the calendar year expense experience exhibit, please be guided by the following:

1. Direct Written Premiums - Must agree with the Statutory Page 14 data of Annual Statement excluding Mobile-Homeowners if reported on Line 4 of the Statutory Page 14 data.
2. Direct Earned Premiums - Must agree with the Statutory Page 14 data of Annual Statement excluding Mobile-Homeowners if reported on Line 4 of the Statutory Page 14 data.
3. Direct Incurred Losses - Must agree with the Statutory Page 14 data of Annual Statement excluding Mobile-Homeowners if reported on Line 4 of the Statutory Page 14 data.
4. Direct Loss Adjustment Expenses Incurred
 - a. Defense & Cost Containment--Must agree with total of direct defense & cost containment expenses incurred shown on the Statutory Page 14 data of the Annual Statement for North Carolina. If actual North Carolina data are not available, please explain the basis of allocation on a separate page.
 - b. Allocated--As reported to Statistical Agent in accordance with the statistical plan.
 - c. Adjusting & Other Expense Payments (Unallocated)--If actual North Carolina data are available, enter amount. If actual North Carolina data are not available, determine by appropriate allocation explaining the basis of allocation on a separate page.
5. Commission and Brokerage - Show actual amounts of Commission and Brokerage expenses incurred on North Carolina business reflecting North Carolina's commission and brokerage rates, subject to the rules in Regulation 30. Must agree with the total commission and brokerage shown on the Statutory Page 14 data excluding Mobile-Homeowners if reported on Line 4 of the Statutory Page 14 data.
6. Other Acquisitions Incurred
 - a) Branch Office - State's Share - Show actual expenses if you maintain an office within North Carolina that process only this State's business, allocation by line of insurance must be made in accordance with Regulation 30. If you maintain a regional office in North Carolina or any other state that processed North Carolina business along with business of other states, use the actual branch office expenses and determine the North Carolina portion by appropriate allocation, such as on the basis of premium.
 - b) Home Office - State's Share - Determine by appropriate allocation. Explain basis of allocation on separate sheet of paper.
7. General Expenses Incurred - If actual North Carolina data are not available, determine by appropriate allocation and explain basis of allocation on separate sheet of paper. This item includes Boards and Bureau expenses.
8. Taxes, Licenses and Fees Incurred - Must agree with the total of taxes, licenses and fees shown on the Statutory Page 14 data of the Annual Statement excluding Mobile-Homeowners if reported on Line 4 of the Statutory Page 14 data.

A report is required to be submitted by or for each company licensed to write Homeowners Insurance in North Carolina. If a company required to file has had no premiums or losses for the State, the report form should be noted "None" accordingly.

This Report Due July 1, 2002

SPECIAL CALL FOR PROPERTY EXPENSE EXPERIENCE
MOBILE HOME MH(C) and MH(F) INSTRUCTIONS

In completing the calendar year expense experience exhibit, please be guided by the following:

1. Direct Written Premiums
2. Direct Earned Premiums
3. Direct Incurred Losses
4. Direct Loss Adjustment Expenses Incurred
 - a. Defense & Cost Containment--Must agree with total of direct defense & cost containment expenses incurred shown on the Statutory Page 14 data of the Annual Statement for North Carolina. If actual North Carolina data are not available, please explain the basis of allocation on a separate page.
 - b. Allocated--As reported to Statistical Agent in accordance with the statistical plan.
 - c. Adjusting & Other Expense Payments (Unallocated)--If actual North Carolina data are available, enter amount. If actual North Carolina data are not available, determine by appropriate allocation explaining the basis of allocation on a separate page.
5. Commission and Brokerage - Show actual amounts of Commission and Brokerage expenses incurred on North Carolina business reflecting North Carolina's commission and brokerage rates, subject to the rules in Regulation 30.
6. Other Acquisitions Incurred
 - a) Branch Office - State's Share - Show actual expenses if you maintain an office within North Carolina that process only this State's business, allocation by line of insurance must be made in accordance with Regulation 30. If you maintain a regional office in North Carolina or any other state that processed North Carolina business along with business of other states, use the actual branch office expenses and determine the North Carolina portion by appropriate allocation, such as on the basis of premium.
 - b) Home Office - State's Share - Determine by appropriate allocation. Explain basis of allocation on separate sheet of paper.
7. General Expenses Incurred - If actual North Carolina data are not available, determine by appropriate allocation and explain basis of allocation on separate sheet of paper. This item includes Boards and Bureau expenses.
8. Taxes, Licenses and Fees Incurred - Show actual North Carolina data. This item includes appropriate North Carolina Premium Tax and Miscellaneous Licenses, Taxes and Fees.

A report is required to be submitted by or for each company licensed to write Homeowners Insurance in North Carolina. If a company required to file has had no premiums or losses for the State, the report form should be noted "None" accordingly.

This Report Due July 1, 2002

SPECIAL CALL FOR PROPERTY EXPENSE EXPERIENCE
DWELLING FIRE AND EXTENDED COVERAGE INSTRUCTIONS

In completing the calendar year expense experience exhibit, please be guided by the following:

1. Direct Written Premiums
2. Direct Earned Premiums
3. Direct Incurred Losses
4. Direct Loss Adjustment Expenses Incurred
 - a. Defense & Cost Containment--Must agree with total of direct defense & cost containment expenses incurred shown on the Statutory Page 14 data of the Annual Statement for North Carolina. If actual North Carolina data are not available, please explain the basis of allocation on a separate page.
 - b. Allocated--As reported to Statistical Agent in accordance with the statistical plan.
 - c. Adjusting & Other Expense Payments (Unallocated)--If actual North Carolina data are available, enter amount. If actual North Carolina data are not available, determine by appropriate allocation explaining the basis of allocation on a separate page.
5. Commission and Brokerage - Show actual amounts of Commission and Brokerage expenses incurred on North Carolina business reflecting North Carolina's commission and brokerage rates, subject to the rules in Regulation 30.
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 - a) Branch Office - State's Share - Show actual expenses if you maintain an office within North Carolina that process only this State's business, allocation by line of insurance must be made in accordance with Regulation 30. If you maintain a regional office in North Carolina or any other state that processed North Carolina business along with business of other states, use the actual branch office expenses and determine the North Carolina portion by appropriate allocation, such as on the basis of premium.
 - b) Home Office - State's Share - Determine by appropriate allocation. Explain basis of allocation on separate sheet of paper.
7. General Expenses Incurred - If actual North Carolina data are not available, determine by appropriate allocation and explain basis of allocation on separate sheet of paper. This item includes Boards and Bureau expenses.
8. Taxes, Licenses and Fees Incurred - Show actual North Carolina data. This item includes appropriate North Carolina Premium Tax and Miscellaneous Licenses, Taxes and Fees.

A report is required to be submitted by or for each company licensed to write Homeowners Insurance in North Carolina. If a company required to file has had no premiums or losses for the State, the report form should be noted "None" accordingly.

This Report Due July 1, 2002

Return to:

North Carolina Rate Bureau
5401 Six Forks Road
P.O. Box 176010
Raleigh, North Carolina 27619-6010

AFFIDAVIT

STATE OF _____)
) ss.
COUNTY OF _____)

_____, the _____
(Insert Name of Company Official) (Insert Title)

of the _____ being duly sworn, deposes
(Insert Name of Company)

and says that as a company official responsible for compilation of statistical data, the statistical data reported upon this form constitutes the reporting of experience of the said company under the Call for 2001 North Carolina Property Expense Experience is a true and accurate statement of such experience of the company for the period covered, to the best of my knowledge, information and belief.

(Signature)

Subscribed and Sworn to before me this
_____ day of _____, 2002

Notary Public